

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3086 – SB 3080

February 19, 2010

SUMMARY OF BILL: Requires the Department of Finance and Administration (F&A) and the Department of Human Resources (DHR) to determine and use a procedure that results in the least amount of money withheld from an employee's longevity pay.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$93,600/One-Time
\$291,900/Recurring**

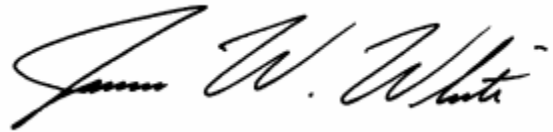
Assumptions:

- According to DHR, the responsibility for determining the appropriate level of withholding from an employee's wages is the sole responsibility of F & A.
- According to F & A, the requirements of this bill will necessitate extensive modifications to the Oracle PeopleSoft system that is currently in use and require Oracle programmers to provide a bundle of upgrades on an annual basis. In addition to the Oracle systems personnel hours that will be required, F & A estimates a need for three additional staff to provide maintenance and compliance with federal and state tax laws.
- The one-time increase in state expenditures for the testing and implementation of the modifications to the PeopleSoft system are estimated to be \$93,555 for development, programming, and testing.

- The recurring increase in state expenditures for the additional staff is estimated to be \$291,900 which includes salaries (\$195,000), benefits (\$66,300), operational costs [\$30,600 (\$10,200 x 3 for computers, office space, printing, telecommunications, and supplies)].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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